

Allianz Life Amanah Dana Ikhlas



Investment Objective

The Allianz Life Amanah Dana Ikhlas (the "Fund") feeds into Maybank Malaysia Balanced-I Fund ("CIS") and aims to seek a mix of regular income stream and possible capital growth over the medium to long term by investing in listed equities, Islamic debt instruments and other assets that are permissible under the Shariah Principles.

Investor Profile

The Fund is suitable for investors who are looking for fund that invests in Shariah-compliant securities, seek regular income and moderate capital appreciation, have moderate risk tolerance and medium to long term investment horizon.

Performance Indicator

	1 month	3 months	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Amanah Dana Ikhlas	1.39%	-2.02%	-0.34%	-3.00%	11.26%	7.96%	-3.00%	2.28%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	0.67%	-0.06%	1.01%	-2.19%	8.62%	9.99%	-2.19%	2.33%
Maybank Malaysia Balanced-I Fund	1.35%	-2.14%	-0.27%	-3.14%	12.91%	10.42%	-3.14%	3.09%

* Source: Bursa and Bank Negara Malaysia.

The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked product. Past performance is not an indication of future performance.

Facts on CIS

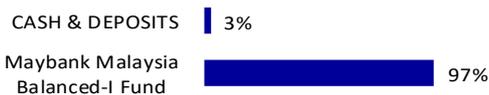
Name	Maybank Malaysia Balanced-I Fund [^]
Type	Managed Fund
Fund Manager	Maybank Asset Management
Fund Currency	MYR

[^]Maybank Malaysia Balanced-I Fund (previously known as MAYBANK Dana Ikhlas) is managed by Maybank Asset Management Sdn. Bhd. Please refer to <https://www.maybank-am.com.my> for more information.

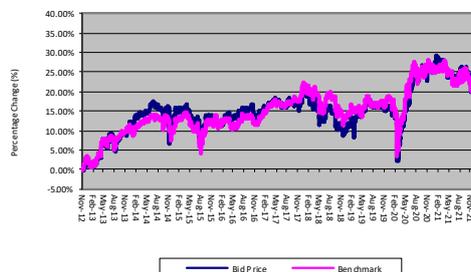
Key Fund Facts

Fund Size	RM17.395 million
Risk Profile	Moderate Investor
Launch Date	26 November 2012
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit ¹ (as at 31st December 2021)	0.583
- Bid	
Management Fee	1.24% p.a
Other Charges ²	Include but not limited to government tax, auditor fee, custodian fee, & transaction charge

Portfolio Composition by Asset



Performance Since Inception



- The price per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. To ensure fair treatment to all unit holders, transaction costs of acquiring and disposing of assets of the Fund are recouped by making a dilution or transaction cost adjustment to the NAV per unit of the Fund. Allianz Life Insurance Malaysia Berhad retains the right to suspend issuance or redemption of units of the Fund under exceptional circumstances, e.g. temporary closure of any stock exchange, as disclosed in the fund brochure.
- Expenses directly related to and necessary in operating the Fund.

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Manager's Comments (For Maybank Malaysia Balanced-I Fund)

Market Commentary

The Malaysian sovereign bond yield curve bear flattened in December, with the 3-year MGS to 15-year MGS yields increasing between 0.90 bps to 11.85 bps (led by the short-end) while the long ends were down by 1.85 bps to 2.35 bps. Risk sentiment improved amidst thin liquidity heading into year-end, as Omicron fears continued to subside, and global central banks turned more hawkish. The US Federal Reserve indicated a faster QE tapering that would end by March 2022, which is earlier than the initial projection of mid-2022, resulting in higher US Treasury yields over the month. Meanwhile, corporate bonds also saw the short-end yields moving higher compared to the belly and long-ends of the curve, albeit at a smaller quantum.

Global markets were choppy in the last month of the year, as the first half were broadly lower, affected by the earlier-than-expected Fed tightening and the high infection rates of the Omicron variant leading to restrictions. Markets then rallied towards year-end on easing concerns as the new variant may have higher infection rates but with less severe symptoms. The KLCI gained 3.54% at 1,567pts for the month driven largely by the year-end window dressing and better sentiment following the extension of tax exemptions on foreign source income and dividend for another 5 years. In local currency terms, Thailand was the best performer, gaining 5.7% mom. Singapore and Indonesia were up 3.5% mom and 0.7% mom respectively while Philippines was the only decliner (-1.1%). On a year-to-date basis however, the KLCI declined 3.67% for the year, becoming the worst performer in the region. Best performers were Thailand (+14.4%), followed by Indonesia (+10.1%) and Singapore (+9.8%) while Philippines registered a flat performance (-0.2%). In commodities, oil prices were up around 11% mom to US\$77.5/bbl, rebounding after sell-off in November. Iron Ore was up 18% but steel prices fell 13%. Elsewhere, CPO was down 2.7% mom to RM5,150/tons. but is up some 70% yoy contrary to the performance of plantation stocks. In December, net foreign outflow amounted to RM1.1bn (Nov: +RM167m) reversing four consecutive months of net inflows. This brings year-to-date net foreign outflow of RM3.15bn (US\$767m). Regionally for 2021, Thailand, Indonesia and Philippines had net foreign inflows of US\$6.6bn, US\$2.7bn and US\$2.5bn respectively. In currencies, (on a month-on-month) basis, the Thai Baht, Sing Dollars, Ringgit and Rupiah gained 1.6%, 1.2%, 0.9% and 0.4% respectively while Peso was weaker by 1.2%.

Market Outlook & Strategy

After a weaker than expected 3Q 2021 GDP growth (-4.5% against consensus' -2.60%), GDP growth is expected to rebound in 4Q 2021 onwards, as lockdown measures are relaxed, and economy sectors reopens. We expect bond yield curve to move higher on continued economic recovery. Central banks globally have also turned more hawkish on monetary policy outlook. Despite this, the Malaysian market remains flush with liquidity, and this will provide support to the local bond market as yield pickup remain decent as compared to the low yielding fixed deposits and money market funds. We expect a better year for fixed income returns in 2022, coming out of negative return in 2021. Absolute yields have now become more attractive after the sell-off, providing a good entry level for yield accretion for the fund.

We expect 2022 for markets to rebound as the economic recovery trajectory continues to be driven by new growth areas and "living with Covid-19". With high vaccination rates and ongoing Booster shots, we think resumption of lockdowns is unlikely at this juncture. GDP growth is expected to rebound this year on pent-up demand and to some form of normalisation driving private consumption and higher employment. Domestically, there is some political stability given conclusion of the state elections and markets can focus on the recovery path of the economy. However, there could be political uncertainty due to the impending the general elections (GE15).

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Allianz Life Amanah Dana Ikhlas



Manager's Comments (For Maybank Malaysia Balanced-I Fund)

Market Outlook & Strategy

For Malaysian sukuk, we believe our preference for corporate bonds (which are less volatile and provide higher yields compared to govies) and strong credit selection will continue to protect our portfolio. We prefer strong AA-rated and A-rated papers for yield pickup and potential long-term upgrade. We maintain our underweight duration bias as we assume a more defensive stance given our expectation of a higher yield curve on continued economic recovery. We will continue to trade opportunistically and will also look into new primary issuances that offer higher yields, as well as bonds in the secondary market that has oversold.

For Malaysian equities, we continue to be positive on Malaysian equity markets moving forward on the back of the economic recovery and the follow through of re-opening activities. We remain focus on the recovery and structural theme. For recovery theme, we look for higher position in cyclical sectors such as financials and materials. In the near-term, we are favourable to beneficiaries of higher commodity prices and rising interest rates although we note that plantation stocks price performance have not been in tandem with CPO prices due to ESG considerations. We continue to look for stocks that will benefit from the economic recovery. Despite the recent shift to value stocks from growth stocks recently, we maintain our the longer-term positive view on the technology sector, as a structural theme. The prospects of 5G infrastructure and accelerated digitalization post Covid-19 pandemic remains intact. Although we are reducing our technology exposure, we may look to add back these names on dips.

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Investment Strategy & Approach



Investors should realize that there are risks of investing in the Funds as listed below:-

- **Market Risk** – The value of the Fund’s investment assets may be affected by changes in economic fundamentals, interest rate movement, regulatory policy, political and industrial developments. These market factors may result in fluctuations in the value of the Fund’s investment assets. This risk may be mitigated by ensuring regular and rigorous reviews of macroeconomic factors and asset allocation strategy.
- **Interest Rate Risk** – Interest rate risk arises when the value of the debt instrument fluctuates due to interest rate movements. When interest rate rises, the debt instrument prices generally decline and this may lower the market value of the investment. The reverse may apply when interest rate falls. Debt instruments with longer maturities and lower coupon rates are more sensitive to interest rate changes. This risk may be mitigated by regular and rigorous reviews of asset allocation and duration strategy.
- **Sector Risk** – The value of the Fund’s investment assets may be adversely affected by the changes in sector-specific factors, such as the business condition, industry outlook and demand/supply dynamic of the industry. This risk may be managed through portfolio diversification and control on sector concentration risk.
- **Company Specific Risk** – The asset values of securities may be affected by company-specific factors, some of which include volatile business situations, adverse financial conditions and poor corporate governance. This risk may be contained through appropriate portfolio diversification, prudent investment selection and better control on investment concentration risks.
- **Credit and Default Risk** – This relates to the creditworthiness of the issuers of the debt and money market instruments as well as their abilities to make timely payments of interest and principal. Any adverse situations faced by the issuer may impact the value of the fund as well as the liquidity of the debt instrument or money market instrument. This risk is managed through appropriate portfolio diversification, stringent credit selection and control on sector as well as credit concentration risks.
- **Risk of Non-Compliance with Shariah Requirements** – For Shariah-approved funds, there is the risk that the fund may hold securities which are Shariah non-compliant due to:
 - 1) “Shariah-compliant securities” which are subsequently considered “Shariah non-compliant”; or
 - 2) Investment in Shariah non-compliant securities.This risk may be mitigated by pre – trade Shariah Compliant checks conducted whenever the Fund invests into securities, regular monitoring of our portfolio’s investments to identify if any investments may be in danger of losing their Shariah compliant status, and regular reviews of the Fund’s compliance with the list of securities approved by the Shariah Advisory Council of the Securities Commission.
- **Target Fund Risk** – As the Fund is a feeder fund, it will invest into a Target Fund which is being managed by a Target Fund Manager. While we would make every effort to ensure that the objectives of the Target Fund are appropriately aligned with those of ours, we do not have control over the Target Fund Manager’s investment in terms of its approach, intelligence, operations and management. In the unlikely event of any mishandling of the Target Fund, the NAV of our Fund, which is investing predominantly into the Target Fund, could be similarly adversely affected. This risk may be mitigated by our constant monitoring of the Target Fund, which is requisite to ensuring that the Target Fund’s objective, risk profile and characteristics are in line with ours. Please also refer to the Target Fund’s prospectus for more detailed and comprehensive information on Target Fund specific risks.

Overall, on top of regulatory limits imposed by Bank Negara Malaysia, we have put in place tight internal investment limits for all asset class with oversight by risk officer to ensure that the Fund does not take on excessive risk, albeit we cannot guarantee the total elimination of risks associated with investing in the Fund.